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11  
12 **UNITED STATES DISTRICT COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**

14 CITY OF LOS ANGELES, a municipal )  
15 corporation, )

16 Plaintiff, )

17 v. )

18 BANK OF AMERICA CORPORATION; )  
19 BANK OF AMERICA, N.A.; )  
COUNTRYWIDE FINANCIAL )  
20 CORPORATION; COUNTRYWIDE )  
HOME LOANS; and COUNTRYWIDE )  
21 BANK, FSB, )

22 Defendants. )  
23  
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26  
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No. 2:13-cv-09046-PA(AGR<sub>x</sub>)

**PLAINTIFF'S OPPOSITION TO  
DEFENDANTS' LOCAL RULE  
83-1.3 NOTICE OF RELATED  
CASE**

Courtroom: 15  
Judge: Hon. Percy Anderson  
Trial Date: None Set

Complaint filed: December 6, 2013

1           The City of Los Angeles, a municipal corporation, Plaintiff in the above-  
 2 captioned action (the “*Los Angeles-BoA Action*”), hereby opposes any related case  
 3 transfer in connection with the closed action entitled *United States of America v.*  
 4 *Countrywide Financial Corporation, et al.*, No. 11-cv-10540 (the “*USA-*  
 5 *Countrywide Action*”). The *USA-Countrywide Action* is cited in a Notice of Related  
 6 Case filed by defendants Bank of America Corporation, and Bank of America, N.A.,  
 7 for itself and as successor by merger to Countrywide Bank, FSB, Countrywide  
 8 Financial Corporation, and Countrywide Home Loans, Inc. (collectively,  
 9 “Defendants”). In this context, the *Los Angeles-BoA Action* does not qualify for a  
 10 related case transfer for the following reasons:

- 11           • The *USA-Countrywide Action* was filed to implement a negotiated  
 12 consent decree. Both the Complaint and proposed consent decree in  
 13 that action were presented to the court in late December 2011. There  
 14 were no other substantive factual or legal determinations to be made in  
 15 that action beyond entry of the consent decree itself. There was “no  
 16 factual finding or adjudication with respect to any matter alleged by the  
 17 United States” in that action, as set forth in the consent decree. The  
 18 *USA-Countrywide Action* was opened and promptly closed one week  
 19 later after entry of the consent decree in December 2011.
- 20           • The current *Los Angeles-BoA Action* was filed in December 2013,  
 21 nearly two years after the *USA-Countrywide Action* was closed.
- 22           • The fact that certain third parties now seek to reopen the *USA-*  
 23 *Countrywide Action* does not change the procedural posture of that  
 24 action. Even defendant Bank of America (on behalf of Countrywide)  
 25 opposes the third party request to reopen that limited-purpose action.
- 26           • The *Los Angeles-BoA Action* primarily calls for determination of  
 27 different questions of law and fact than the *USA-Countrywide Action*:  
 28

- Fundamentally, the current case addresses questions of law and fact about whether Defendants' alleged FHA violations injured the City of Los Angeles. Plaintiff seeks to recover tax diminution losses and out-of-pocket expenses incurred by the City of Los Angeles. The nature of damages asserted in the closed *USA-Countrywide Action* was completely different.
- In the 2011 *USA-Countrywide Action*, The U.S. Department of Justice did not seek damages on behalf of municipalities, nor did it even seek damages of the sort sought by municipalities. The U.S. Department of Justice sought damages on behalf of aggrieved homeowners.
- In any event, the parties to the *USA-Countrywide Action* did not seek judicial determinations of questions of law and fact; they sought to implement the December 28, 2011 consent decree.
- The *Los Angeles-BoA Action* and the *USA-Countrywide Action* do not generally arise from the same scope of transactions, happenings, or events—the scope of each action substantially differs from the other:
  - Most of the lending transactions at issue in this case were not at issue in the closed *USA-Countrywide Action*. The current case deals with Bank of America's lending practices from at least 2004 to the present, including loans made by, acquired by, and on behalf of Bank of America. The *USA-Countrywide Action*, on the other hand, related solely to Countrywide loans made during the period of 2004-2008.
  - The Countrywide loans represent only a subset of the pre-2008 loans at issue here. Moreover, the *USA-Countrywide Action* did not address any of the post-2008 loans at issue in this case.

- 1                   ○ The claims in this case arise from Bank of America’s redlining,

2                   as well as its reverse-redlining, based on a variety of loan types.

3                   By contrast, the claims in the *USA-Countrywide Action* only

4                   arose from Countrywide’s reverse redlining with regard to

5                   subprime loans.
- 6                   ○ The lending transactions at issue in this case occurred entirely in

7                   Los Angeles, while the transactions at issue in the *USA-*

8                   *Countrywide Action* occurred throughout the United States.
- 9                   ○ The *USA-Countrywide Action* also involved claims of marital

10                  discrimination and Equal Credit Opportunity Act violations,

11                  which are not alleged in the current case.
- 12               • Having the two actions heard by different judges would not likely result

13               in a substantial duplication of labor. The judicial work to be performed

14               in the current case was not completed previously in the closed *USA-*

15               *Countrywide Action*. There are no judicial efficiencies to be achieved

16               by directing the current case to the Judge in the closed *USA-*

17               *Countrywide Action*.
- 18               • There are at least two other recently-filed actions pending in this district

19               court that more closely relate to the above-captioned case, and which do

20               not assert even a subset of claims pertaining to Countrywide. These

21               include an earlier-filed action in this district entitled *City of Los Angeles*

22               *v. Wells Fargo & Co., et al.*, Case No. 2:13-cv-09007-ODW(RZx) (the

23               “*Wells Action*”), and another action entitled *City of Los Angeles v.*

24               *Citigroup Inc., et al.*, Case No. 2:13-cv-09009-SVW(JCx) (the “*Citi*

25               *Action*”). All three of Plaintiff’s pending actions allege that

26               Defendants’ FHA violations injured the City of Los Angeles. The

27               *Wells Action*, currently pending before the Honorable Otis D. Wright,

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II, is the first-filed action among the three pending actions filed by Plaintiff. This *Los Angeles-BoA Action* and the *Citi Action* likely qualify for related-case transfers to the Honorable Otis D. Wright, II.

Respectfully submitted,

DATED: February 18, 2014

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**CERTIFICATE OF SERVICE**

I hereby certify that on February 18, 2014, I electronically filed the foregoing document using the CM/ECF system which will send notification of such filing to the e-mail addresses registered in the CM/ECF system, as denoted on the Electronic Mail Notice List, and I hereby certify that I have caused to be mailed a paper copy of the foregoing document via the United States Postal Service to the non-CM/ECF participants indicated on the Manual Notice List generated by the CM/ECF system.

/s/ Andy Katz

Andy Katz